

Third Taxing District

2 Second Street
East Norwalk, CT 06855

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Third Taxing District of the City of Norwalk Commission Meeting

Monday, September 12, 2016 at 7:00p.m.

At the Third Taxing District Office, 2 Second Street, East Norwalk, CT

1. Public Comment – 15 Minute Limit
2. UFS Financial Projection/Cost of Service Update Presentation – Dawn Lund (via phone) (Pgs. 1-11)
3. Minutes of Meeting – August 1, 2016 (Pgs. 12-19) and Special Meeting August 16, 2016 (Pgs. 20-22)– A/R
4. Discussion/Analysis of Financial Statements/Key (Pgs. 23-27)
5. Discussion of TTD Purchasing Policy (Pgs. 28-29)
6. General Manager's Report (Pg. 30)
 - Update on Seawall Repair
 - Update on CMEEC Fuel Cell Projects
 - Recap of Summer Concerts
7. Project Summary
8. Executive Summary
 - Personnel Matters – Performance Review
9. Adjourn

*A/R – Action Required/See Attached Motion

Agenda backup material is available at the TTD office, www.ttd.gov and will be available at the meeting.

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District Commissioners

David L. Brown 203-866-8099
Charles L. Yost 203-853-0837
Debora Goldstein 203-252-7214

Chairman
Commissioner
Commissioner

James Smith 203-866-9271
Ron Scofield 203-866-9271
Michael Intrieri 203-866-3001

General Manager
Assistant General Manager
Treasurer

Memorandum

Third Taxing District

Electric Department

To: TTD Commissioners

From: Jim Smith – General Manager

Date: August 31, 2016

Subject: Rate Study/Financial Projection Update - UFS

Attached please find a copy of an update to the initial Rate Study/Financial Projection prepared by Utility Financial Services (UFS) back in 2014 for TTD.

The purpose of the Rate Study/ Financial Projection is to determine TTD's revenue requirements for the fiscal year 2016 through 2020 and addresses recommended rate adjustments necessary to work towards targeted revenue requirements.

The study measures TTD's performance in three major areas: A) Debt Coverage Ratio, B) Minimum Cash Reserves and C) Optimal Net Income. Progress in each of these areas determines whether a rate adjustment may be necessary.

The conclusions and recommendations outlined in the report (pages 7 and 8) are also based on a set of assumptions which are outlined on Page 2 and are subject to change.

Dawn Lund will be available by phone the night of the meeting to review the report with the Commission and answer any questions you may have.

Executive Summary

**THIRD TAXING DISTRICT
CITY OF NORWALK
ELECTRIC DEPARTMENT**

Financial Projection

August 31, 2016



**Specializing in Cost of Service,
Rate Design, and Financial Analysis**

August 31, 2016

Mr. James Smith
General Manager, Third Taxing District of the City of Norwalk
2 Second Street
East Norwalk CT, 06855

Dear Mr. Smith;

Per your request, we have updated the financial projection due to the receipt of a \$1.4 million payment from CyrusOne. This report is a revision to the financial projection report submitted to you in July 2016.

The specific purposes of this long-term financial projection and rate study are:

- 1) Determine electric utility's revenue requirements for fiscal year 2016 - 2020
- 2) Recommend rate adjustments needed to work toward targeted revenue requirements

Specific recommendations included in this report are:

- 1) Rate adjustments that are based on the utilities ability to meet or work toward three factors listed below:
 - a. Debt Coverage Ratio
 - b. Minimum Cash Reserves
 - c. Optimal Net Income
- 2) Rate adjustments have been designed to provide the overall recommended rate adjustment, within a bandwidth for each customer class, and based on the most recent cost of service study completed by Utility Financial Solutions (UFS) for TTD.

This report is intended for information and use by management and the Board of Commissioners for purposes stated above and is not intended to be used by anyone except the specified parties.

Sincerely,



Dawn Lund, Vice-President
Utility Financial Solutions, LLC
Dawn Lund, Vice-President



Executive Summary Report: Financial Projection

Introduction

Introduction

This report was prepared to provide the TTD with a financial projection and rate track. The specific purposes of the financial plan and rate study are identified below:

- 1) ***Determine electric utility's revenue requirements for fiscal year 2020.*** The Electric Utility's revenue requirements were projected for the period from 2016 – 2020 and included adjustments for the following:
 - a. Anticipated power costs for the TTD
 - b. Capital improvements currently underway and scheduled over the next five years. TTD provided capital improvement information for 2016 – 2020.
 - c. Projected Operating Cost
- 2) ***Recommend rate adjustments needed to meet targeted revenue requirements.*** The primary purpose of this rate study is to identify appropriate revenue requirements and the rate adjustments needed to meet or work toward targeted revenue requirements. The report includes a five-year rate track for TTD to help ensure the financial stability of the utility in future years. The projection is based on information known today. Any changes in revenues, costs, or capital can greatly affect the rate track. The projection should be monitored with the yearly budget process, and the Board and City Commission prepared to make any necessary adjustments in the rate track as the costs related to the generation project were projected and may differ from actual.

TTD retained Utility Financial Solutions, LLC to review the above items and help ensure the long-term financial health of TTD. This report includes results of the financial projection.



Executive Summary Report: Financial Projection

Utility Revenue Requirements

Significant Assumptions

This section outlines the procedures used to develop the financial projection study for TTD and the related significant assumptions.

The projection provided by UFS depends on the accuracy of the information given. Any changes in the assumptions below can greatly affect the financial position of TTD. The financial projection should be updated yearly with the budget process to ensure the financials are on track.

Table One: Assumptions

	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
Inflation Rate	2.0%	2.0%	2.0%	2.0%	2.0%
Power Supply Adjustments	1.0%	0.4%	-1.5%	1.0%	1.0%
Growth	1.0%	1.0%	1.0%	1.0%	1.0%
Investment Income	0.5%	0.5%	0.5%	0.5%	0.5%

Other significant assumptions:

Staff of TTD indicate the PCA will remain at \$.027 for the foreseeable future. This amount was used throughout the projection period.



Executive Summary Report: Financial Projection

Development of Recommended Rate Track

Development of Recommended Rate Track:

When evaluating rates to charge customers, at least three factors must be considered:

1. Debt Coverage Ratio
2. Minimum Cash Reserves
3. Optimal Net Income

Each of these factors are discussed in the following pages:

- 1) Debt Coverage Ratio – Currently, TTD does not hold any debt. The following is provided for informational purposes should the utility issue debt in the future. Debt coverage ratios are mandated by covenants established in the bond ordinance and must be maintained to ensure the utility maintains its bond rating and has the capacity to issue additional revenue bonds. Typical bond coverage ratios require that cash generated from operations exceed 1.25 times the debt payments. The utility should maintain a minimum coverage ratio of 1.25 but due to fluctuations in sales, mainly the result of weather or the economy, a safety factor is recommended to help ensure coverage ratios requirements are met or exceeded during low sales years. We have established a target of 1.40 for financial projection purposes. This becomes the minimum target and rates must be established to meet the debt coverage target should debt be issued in the future.

Development of Recommended Rate Track

- 2) **Minimum Cash Reserve Target** - To help ensure timely completion of capital improvements and enable the utility to meet requirements for large unexpected expenditures, a minimum cash reserve policy should be established. Minimum cash reserves attempts to quantify the minimum amount of cash the utility should keep in reserve, actual cash reserves may vary substantially above the minimum and is dependent on the life cycle of assets that are currently in service. The methodology used in this report is based on certain assumptions related to percent of operation and maintenance, rate base, capital improvements, and debt service. The establishment of minimum cash reserves should consider a number factors including:
- **Working Capital Lag** - Timing differences between when expenses are incurred and revenues received from customers. Establishing a minimum cash reserve helps to ensure cash exists to pay expenses in a timely manner.
 - **Investment in assets** – Catastrophic events may occur that require substantial amounts of cash reserves to replace damaged assets. Some examples of catastrophic events include ice storms, earthquakes, wind storms, floods, or tornadoes. Many of these catastrophic events may allow the utility to recover the cost of damages from FEMA; however FEMA reimbursements can take between 6 months to 2 years to recover. The utility should ensure adequate cash reserves exist to replace the assets in a timely fashion. The minimum reserve levels are often combined with emergency funding from banks or bonding agencies.
 - **Annual debt service** – Debt service payments do not occur evenly throughout the year and often occurs at periodic times typically every six months. The utility has to ensure adequate cash reserves exist to fund the debt service payment when the payment is due.
 - **Capital improvement program** – Some capital improvements are funded through bond issuances and some through cash reserves. The establishment of a minimum cash reserve level helps to ensure timely replacement or construction of assets.

Table three on the next page provides the minimum cash reserve calculation.



Executive Summary Report: Financial Projection

Development of Recommended Rate Track

The minimum recommended cash reserve for TTD in 2016 is \$3.26 million and increases to \$3.46 million. Projected cash reserves are met throughout the projection period.

Table three: Minimum Cash Reserves – Fiscal Year Ending 2016-2020 without rate adjustment

Minimum Cash Reserves	Percent Allocated	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
Operation & Maintenance Less Depreciation Exp	12.3%	\$ 1,257,277	\$ 1,276,256	\$ 1,279,879	\$ 1,304,791	\$ 1,330,204
CyrusOne PP Passthrough	16.4%	138,048	184,064	230,081	111,020	129,524
Historical Rate Base	3%	623,278	660,340	713,335	733,384	761,884
Current Portion of Debt Service	100%	4,361	4,361	4,361	4,361	4,361
Five Year Capital Improvements - Net of bond pro	20%	1,234,240	1,234,240	1,234,240	1,234,240	1,234,240
Recommended Minimum Cash Reserve		\$ 3,257,205	\$ 3,359,262	\$ 3,461,896	\$ 3,387,797	\$ 3,460,213
Projected Cash Reserves		\$ 6,212,292	\$ 6,263,566	\$ 5,905,109	\$ 6,592,086	\$ 6,946,773
Minimum Recommended Days Cash On Hand		108	109	112	107	107

Minimum Cash Reserves are met throughout the projection period.

Table Four: Cash Flow Analysis

Cash Flows	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
Add Net Income	\$ 489,902	\$ 452,520	\$ 513,851	\$ 412,388	\$ 329,434
Add Back Depreciation Expense	778,426	834,154	894,192	942,888	975,254
Loan Repayment from CyrusOne	1,426,000	0	0	0	0
Subtract Debt Principal	-	-	-	-	-
Add Bond Sale Proceeds	-	-	-	-	-
Cash Available from Operations	\$ 2,694,328	\$ 1,286,674	\$ 1,408,043	\$ 1,355,276	\$ 1,304,688
Estimated Annual Capital Additions	1,551,000	1,235,400	1,766,500	668,300	950,000
Net Cash From Operations	\$ 1,143,328	\$ 51,274	\$ (358,457)	\$ 686,976	\$ 354,688
Beginning Cash Balance	5,068,964	6,212,292	6,263,566	5,905,109	6,592,086
Ending Cash Balance	\$ 4,250,705	\$ 6,212,292	\$ 6,263,566	\$ 6,592,086	\$ 6,946,773
Projected Cash Available	\$ 6,212,292	\$ 6,263,566	\$ 5,905,109	\$ 6,592,086	\$ 6,946,773

Development of Recommended Rate Track

- 3) Optimal operating income targets - The optimal target for setting rates is the establishment of a target operating income to help ensure the following:
1. Funding of Interest Expense on the outstanding principal on debt. Interest expense is below the operating income line and needs to be recouped through the operating income balance.
 2. Funding of the inflationary increase on the assets invested in the system. The inflation on the replacement of assets invested in the utility should be recouped through the Operating Income
 3. Adequate rate of return on investment to help ensure current customers are paying their fair share of the use of the infrastructure and not deferring the charge to future generations.

As improvements are made to the system, the optimal operating income target will increase unless annual depreciation expense is greater than yearly capital improvements. The target established for 2016 is \$664,830 and increases \$812,677 in 2020.

Table five - Optimal Operating Income Targets Compared to Projected

Target Operating Income	Percent Allocated	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
Outstanding Principal on Debt	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -
System Equity	6.0%	664,830	704,363	760,891	782,277	812,677
Target Operating Income		\$ 664,830	\$ 704,363	\$ 760,891	\$ 782,277	\$ 812,677
Projected Operating Income		\$ 493,454	\$ 432,994	\$ 494,070	\$ 394,399	\$ 308,009
Rate of Return in %		5.3%	5.5%	5.5%	5.8%	6.0%

Operating income targets are not met throughout the projection period.



Executive Summary Report: Financial Projection

Recommended Rate Track

Recommended Rate Track

The study identified an inflationary-type rate increase may be needed in 2020. The projection is based on information known today and future costs provided to UFS on capital projects. Any changes in revenues, costs or capital can greatly affect the rate track. The projection should be monitored with the yearly budget process, and the City Commission prepared for any necessary adjustments to the rate track. Table six is a summary of the financial results.

Table Six – Recommended Rate Adjustments

Fiscal Year	Projected Rate Adjustments	Projected Power Supply Adjustments from CMEEC	Projected Revenues	Projected Expenses	Transfer to the District	Adjusted Operating Income	Projected Cash Balances	Capital Improvements
Proj 2016	0.0%	1.0%	\$ 11,792,988	\$ 11,000,192	\$ (299,342)	\$ 493,454	\$ 6,212,292	\$ 1,551,000
Proj 2017	0.0%	0.4%	11,942,556	11,210,220	(299,342)	432,994	6,263,566	1,235,400
Proj 2018	0.0%	-1.5%	12,093,120	11,299,708	(299,342)	494,070	5,905,109	1,766,500
Proj 2019	0.0%	1.0%	12,244,689	11,550,948	(299,342)	394,399	6,592,086	668,300
Proj 2020	1.5%	1.0%	12,550,269	11,789,923	(299,342)	461,004	7,099,768	950,000
Recommended Target in 2016						\$ 664,830		
Recommended Target in 2020						\$ 812,677		
Recommended MINIMUM Target in 2016							\$ 3,257,205	
Recommended MINIMUM Target in 2020							\$ 3,460,213	

The three key financial targets of Debt Coverage Ratio, Minimum Cash Reserves, and Operating Income are met throughout the projection period with a projected inflationary increase in 2020. The rate track should be monitored with the yearly budget process and the Commission should be prepared to adjust the rate track as necessary to ensure continued financial health.



Executive Summary Report: Financial Projection

Summary of Recommendations

Recommendations

1. TTD is currently meeting its revenue requirements with projected sales and a PCA recovery of \$.027 per kWh. We are recommending an inflationary type increase of 1.5% in 2020. The financial projection and rate track will need to be reviewed and updated with the budget process.

Fiscal Year	Projected Rate Adjustments	Projected Power Supply Adjustments from CMEEC	Projected Revenues	Projected Expenses	Transfer to the District	Adjusted Operating Income	Projected Cash Balances	Capital Improvements
Proj 2016	0.0%	1.0%	\$ 11,792,988	\$ 11,000,192	\$ (299,342)	\$ 493,454	\$ 6,212,292	\$ 1,551,000
Proj 2017	0.0%	0.4%	11,942,556	11,210,220	(299,342)	432,994	6,263,566	1,235,400
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Proj 2020	1.5%	1.0%	12,550,269	11,789,923	(299,342)	461,004	7,099,768	950,000
Recommended Target in 2016						\$ 664,830		
Recommended Target in 2020						\$ 812,677		
Recommended MINIMUM Target in 2016							\$ 3,257,205	
Recommended MINIMUM Target in 2020							\$ 3,460,213	

2. To help ensure timely completion of capital improvements and enable the utility to meet requirements for large unexpected expenditures, it is recommended TTD consider adopting a Cash Reserve Policy based on the formula below to establish a minimum cash reserve.

Minimum Cash Reserves	Percent Allocated	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
Operation & Maintenance Less Depreciation Exp	12.3%	\$ 1,257,277	\$ 1,276,256	\$ 1,279,879	\$ 1,304,791	\$ 1,330,204
CyrusOne PP Passthrough	16.4%	138,048	184,064	230,081	111,020	129,524
Historical Rate Base	3%	623,278	660,340	713,335	733,384	761,884
Current Portion of Debt Service	100%	4,361	4,361	4,361	4,361	4,361
Five Year Capital Improvements - Net of bond pro	20%	1,234,240	1,234,240	1,234,240	1,234,240	1,234,240
Recommended Minimum Cash Reserve		\$ 3,257,205	\$ 3,359,262	\$ 3,461,896	\$ 3,387,797	\$ 3,460,213

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THIRD TAXING DISTRICT
of the City of Norwalk
Commission Meeting
August 1, 2016

ATTENDANCE: Commissioners: David Brown, Chair; Charles Yost, Debora Goldstein
Treasurer: Dr. Michael Intrieri

STAFF: Jim Smith, General Manager; Ron Scofield, Assistant General Manager

PUBLIC: Melanie Master

CALL TO ORDER

Commissioner Brown called the meeting to order at 7:00 p.m. A quorum was present.

PUBLIC COMMENT

Mrs. Melanie Master, a former Norwalk resident (now residing in Fairfield) and certified personal fitness trainer, explained to the Commission that she started holding fitness sessions at Ludlow Park the beginning of July and would like to continue to do so with the Commission's permission. She carries liability insurance and the City of Norwalk has been named on the policy. She was informed that Ludlow Park is not owned by TTD, but by the City of Norwalk.

She is looking for a place to hold her training sessions within the District as most of her clientele is in the area. Suggestions were made by Dr. Intrieri to try the Shore & Country Club, but she indicated that she had already tried and was turned down. Commissioner Goldstein suggested she try to partner with The Marvin Senior Center. She took the suggestions and thanked the Commission for their time.

MINUTES OF MEETING

June 6, 2016

**** COMMISSIONER YOST MOVED TO APPROVE THE MINUTES OF JUNE 6, 2016
REGULAR MEETING.**

**** COMMISSIONER BROWN SECONDED.**

**** COMMISSIONER GOLDSTEIN ABSTAINED.**

**** THE MOTION PASSED.**

Third Taxing District
of the City of Norwalk
August 1, 2016

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June 20, 2016

**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE MINUTES OF JUNE 20, 2016 REGULAR MEETING.**

**** COMMISSIONER BROWN SECONDED.**

**** COMMISSIONER YOST ABSTAINED.**

**** THE MOTION PASSED.**

Dr. Intrieri wanted to let it publicly be known that he accepted Commissioner Brown's apology with regard to the issue of input for the selection of the bands for the concert series.

Commissioner Brown went back into the history of how the selection was made and Dr. Intrieri did have input in past years. Dr. Intrieri thanked Commissioner Brown for his apology.

**** COMMISSIONER BROWN MOVED TO SUSPEND THE RULES AND ADD AN AGENDA ITEM TITLED CONCERT RULES.**

**** COMMISSIONER GOLDSTEIN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

CONCERT RULES

Discussion took place about the cancellation policy for the concert series and how it should be handled. It was the consensus of the Commission that the Emcee should not be solely responsible for any cancellation, but should work in conjunction with Mr. Scofield on the decision and split up the duties of making the phone calls to contact all parties involved, i.e., Performance Audio, City of Norwalk, Jumar Marketing, etc.

**** COMMISSIONER YOST MOTIONED TO MAKE IT A POLICY THAT IT BE A JOINT DECISION BETWEEN THE EMCEE AND MR. SCOFIELD OR MR. SMITH TO CANCEL A CONCERT DUE TO INCLEMENT WEATHER.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

**** COMMISSIONER GOLDSTEIN MOVED TO TABLE ITEM #7, BRIEF DISCUSSION OF POSITION ON RENEWABLES, TO THE SEPTEMBER COMMISSION MEETING.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

DISCUSSION/ANALYSIS OF FINANCIAL STATEMENTS/KEY PERFORMANCE

May 2016 - The month of May was up a little from last year. Overall, Revenues were up 6%, Purchase Power Cost is down and Expenses are within 4% year-over-year. Interest Income (Acct. 419-00) was up significantly due to a change in the market. Other Income is down due to the Norden units not running as much. Net Income, on a cash basis, is up significantly.

Commissioner Brown questioned why the % Change on two of the categories (Net Ordinary Income and Net Income Before Rate Stabilization) were showing as negative when, in fact, the numbers increased. Mr. Smith will be contacting Matt Allred for clarification.

May PCA - Now in an over-collection position.

Commissioner Goldstein brought up the subject of the Pension Investment Committee and asked where things stand with it. Mr. Smith was in touch with Atty. Bove about the matter. As a result, Atty. Bove was going to give Mr. Smith a letter clarifying who should be on the Committee. In the meantime, Mr. Smith came across an historical document that talked about who was on the Committee and forwarded the document to Atty. Bove. Mr. Smith will follow-up with Atty. Bove on this matter.

June 2016 - Mr. Smith stated that these are the preliminary year-end numbers for the 12-month period. June was a breakeven month, but Total Expenses (including Purchase Power) are down \$116,000 this year vs. last year, partially due to the Purchase Power Cost being down and expenses being controlled. Revenue is up 5% over last year, partially due to the fuel adjustment of 2.7 cents being held constant.

Expenses are in line with last year. Net Income Before Rate Stabilization is \$413,117 vs. \$96,707 last year. Almost \$1MM was deposited into Rate Stabilization, which is almost double last year's contribution. Net Income is \$1,387,580 vs. \$511,202 from last year. Cash balances are healthy. Cervalis paid off their construction loan and transferred \$1.462 million to TTD on July 25th. CMEEC debt continues to go down. Overall, it's been a solid year from a financial perspective.

DISCUSSION OF DOT COMMUNICATIONS

Commissioner Goldstein gave the Commission some background information about the DOT hearings she has been attending and talked about the various projects that will be taking place over the next 4-6 years in the area. One area of concern is communication throughout the City of Norwalk from the DOT. They are on board and are committed to doing a better job of coordinating the projects and communicating the information.

How can TTD do their part in this? Jumar Marketing could be leveraged to send out email alerts, post on the website and include information in the newsletter (provided it's not outdated).

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Another possibility would be to utilize Stan Siegel and ask him to include information in his bi-weekly article.

Another option would be to purchase an electronic LED streaming sign and place it at Hanford Switch (entrance to East Norwalk) with current information. The cost of this will need to be researched.

DISCUSSION OF NON-PERFORMING ASSETS

Discussion took place about the house at 215 East Avenue and what should be done with it both short-term and long-term. Mr. Smith said he realizes this subject is on the mind of the Commission with regard to Strategic Planning, but would like to know their ideas for the short-term. Commissioner Yost said the only money that should be spent on it right now should be for any work to protect it from the elements. With regard to long-term, Commissioner Yost said there are many alternatives. The best way to start would be to list the alternatives, examine them and determine cost and implementation. The first item would be to create a list and perhaps a budget for someone to do the groundwork to evaluate the alternatives.

Further discussion took place and it was decided that each Commissioner should create a list and submit them to Mr. Smith, who will then compile them for the Commission. From there, a budget can be discussed. This subject will continue to be discussed during Strategic Planning.

Commissioner Goldstein raised a point with regard to the State and Eminent Domain, as the State has already taken out houses/businesses in the area for the upcoming projects. Her thinking was if the State would want to take the house in the future, TTD should take into consideration that they would give fair market value and we would want to get the highest value possible.

DISCUSSION OF NORWALK 2.0

Mr. Smith reviewed the background on Norwalk 2.0's request to put two art containers in Constitution Park. Mr. Smith had sent the Space Agreement to Atty. Bove for legal input. The Space Agreement has been signed, but not returned as Mr. Smith was waiting for Atty. Bove's response on the subject, which has been received and presented to the Commission. Discussion took place about the concerns raised by Atty. Bove in his letter.

**** COMMISSIONER GOLDSTEIN MOVED TO SUSPEND THE RULES TO AMEND THE ITEM TO REFLECT THAT IT IS AN ACTION ITEM.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

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**** COMMISSIONER YOST MOVED TO APPROVE THE AGREEMENT WITH THE FOLLOWING CONDITIONS: 1) NORWALK 2.0 MUST MAINTAIN THE GROUNDS AND KEEP IN THE SAME CONDITION AS FOUND; 2) DURING CONCERTS, THERE MUST BE POLICE PATROL, SECURITY AND TRAFFIC CONTROL; 3) INSURANCE LEVELS MUST BE RAISED TO THE RECOMMENDED LIMITS OF TTD'S INSURANCE BROKER*; AND 4) NORWALK 2.0 MUST NOTIFY THE NEIGHBORS/BUSINESSES OF CONSTITUTION PARK THAT THE CONTAINERS ARE BEING PLACED ON THE PROPERTY.**

**** COMMISSIONER BROWN SECONDED.**

**** COMMISSIONER GOLDSTEIN OPPOSED.**

**** THE MOTION PASSED TWO TO ONE.**

***Coverage that Norwalk 2.0 should have in place at a minimum is as follows:**

- 1M/2M General Liability
- 1M Umbrella Policy
- Property Coverage (i.e., coverage for the trailers, Coverage for the contents inside the trailers)
- Workers Comp Insurance

ANNUAL OYSTER FESTIVAL PARTICIPATION

Mr. Smith told the Commission that the Seaport has once again requested the assistance of TTD for setting up/taking down of the electric for the Annual Oyster Festival. The Festival will only be two days this year (Saturday and Sunday). TTD will invoice the Seaport for the work involved in the approximate amount of \$8,000 to \$10,000.

**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE TTD'S PARTICIPATION IN THE ANNUAL OYSTER FESTIVAL AS PRESENTED.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

ENGAGEMENT LETTER – FYE JUNE 30, 2016 AUDIT

Mr. Smith presented the Engagement Letter from Hope & Hernandez for the FYE June 30, 2016 Audit. The cost of this year's audit is \$20,960. The work has already begun and is moving along. The plan is to have the audit completed by October. Mr. Smith has been in touch with Stan Siegel at the East Norwalk Library about turning in the documents requested in a timely fashion in order that the audit can be completed as quickly as possible.

**** COMMISSIONER GOLDSTEIN MOVED TO APPROVE THE ENGAGEMENT LETTER PROPOSAL AS PRESENTED.**

**** COMMISSIONER YOST SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

GENERAL MANAGER'S REPORT

eReliability Update

Mr. Smith presented the eReliability Update for the past six months, which shows the outages during this time period. The longest outage occurred in February in the Pequot area. The reason for this is due to the fact that a long line was needed to be strung in order to get into the problem (about ¾ mile). Commissioner Goldstein asked that this information be included on the website. Jumar Marketing will be contacted about this.

Update on CyrusOne

Mr. Smith informed the Commission that TTD has collected the full amount due on the construction loan. The funds were wire transferred to TTD on July 25, 2016 in the amount of \$1,429,646.52. This will help alleviate TTD having to use the funds from the Rate Stabilization Fund for any capital projects during the year.

Mr. Smith said the loads are increasing at CyrusOne. The new bank customer is in the process of moving into the facility.

Update on UFS Financial Projections/Rate Study

Mr. Smith has received a preliminary report from Dawn Lund and she will be reviewing it at the September Commission meeting. Currently, TTD is meeting their financial targets, which indicates that rates will not need to increase in the near future.

Otocast (Susan Wallerstein Project)

Discussion took place about TTD's involvement and what they can do for the Otocast project. Suggestions were made as to locations around the District, i.e., Library, Cemetery, Firehouse, Ludlow Monument, and Bloom Bros. Some of the Commissioners are willing to do the narration for the segments. Commissioner Goldstein volunteered to write draft scripts. Commissioner Goldstein will contact Susan Wallerstein about TTD's participation in the project.

PROJECT SUMMARY (June & July)

July 2016 – Economic Development Initiative

Mr. Smith informed the Commission that he has had meetings with the mall developers with regard to TTD being on "standby" for the new mall being built in SNEW's district. During the last meeting, it was decided that TTD will now be bumped up to a "back-up" provider to the mall on a regular basis. Rates are in the process of being created.

DRAFT

EXECUTIVE SESSION

- Maplewood and Scicchitano Claims
- Personnel

**** COMMISSIONER YOST MOVED TO ENTER INTO EXECUTIVE SESSION TO DISCUSS THE MAPLEWOOD AND SCICCHITANO CLAIMS AND PERSONNEL.**
**** COMMISSIONER BROWN SECONDED.**
**** COMMISSIONER GOLDSTEIN ABSTAINED.**
**** THE MOTION PASSED.**

The Commissioners, Treasurer, and Mr. Smith entered into Executive Session at 8:54 p.m.

**** COMMISSIONER GOLDSTEIN MOVED TO EXIT EXECUTIVE SESSION AND RETURN TO PUBLIC SESSION.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

The Commissioners, Treasurer, and Mr. Smith returned to public session at 9:19 p.m.

ADJOURNMENT

**** COMMISSIONER GOLDSTEIN MOVED TO ADJOURN.**
**** COMMISSIONER YOST SECONDED.**
**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:20 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

Third Taxing District
of the City of Norwalk
August 1, 2016

MOTION FOR MINUTES

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) REGULAR MEETING AS CORRECTED.

DRAFT

THIRD TAXING DISTRICT
of the City of Norwalk
Special Commission Meeting
August 16, 2016

ATTENDANCE: Commissioners: David Brown, Chair; Charles Yost, Debora Goldstein;
Michael Intrieri, Treasurer

STAFF: Jim Smith, General Manager

OTHERS: Steve VanderMeer, Hometown Connections

CALL TO ORDER

Commissioner Brown called the meeting to order at 7:00 p.m. A quorum was present.

PUBLIC COMMENT

No one from the public was in attendance to comment.

STRATEGIC PLANNING PRESENTATION

Mr. VanderMeer was present and led the Commission and Mr. Smith in further Strategic Planning discussions. Major topics of the evening consisted of: East Norwalk Library, Non-Performing Assets (i.e., Parks, Cemetery and 215 East Avenue), Governance (i.e., Charter, Board Size, Length of Term, Term Limits, and Officer Appointments), participation on the CMEEC Board as an alternate, Partisan vs. Non-Partisan Commission, and Compensation for the Commission.

Mr. VanderMeer will follow-up with the Commission on the above in a separate communication. The next Strategic Planning meeting with the Commission was set for Monday, September 26, 2016 at 6:30 p.m.

DRAFT

ADJOURNMENT

**** COMMISSIONER YOST MOVED TO ADJOURN.**

**** COMMISSIONER BROWN SECONDED.**

**** THE MOTION PASSED.**

The meeting adjourned at 10:00 p.m.

Respectfully submitted,

Cynthia Tenney
Executive Assistant
Third Taxing District

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) SPECIAL COMMISSION MEETING.

OR

COMMISSIONER (name of Commissioner) MOVED TO APPROVE THE MINUTES OF (date of meeting) SPECIAL COMMISSION MEETING AS CORRECTED.

**Third Taxing District
Financial Highlights
July-2016 vs. July-2015**

	July-2016	July-2015	\$ Change	% Change
Total Income	1,015,454	1,013,292	2,162	0%
Total Expense	764,983	796,909	-31,926	-4%
Net Ordinary Income	250,471	216,383	34,088	16%
Other Income	8,320	15,383	-7,062	-46%
Other Expense	-	137	-	-100%
Net Income before Rate Stabilization	258,791	231,630	27,162	12%
Rate Stabilization	121,142	71,123	50,019	70%
Net Income	379,933	302,753	77,180	25%

CASH BALANCES FY 2016

	Jul-16
ACCTS	
Operating Accounts	1,019,207
Construction WIP	525,059
Capital Improvements Fund	883,150

TTD Outstanding Principal Balance with CMEEC

Balance as of July 1, 2015	4,568,422
Current Balance	4,345,583
Current Fiscal Year Capital Additions to date	38,945

Power Supply	Current Fiscal Year-to-Date	Last Fiscal Year-to-Date	\$ Change	% Change
Energy Cost	\$ 535,454	\$ 545,400	\$ (9,946)	-2%
Budget Energy Cost	\$ 492,618	\$ 518,130	\$ (25,512)	-5%
Energy Cost Cents/KWH	10.700	10.800	\$ (0.10)	-1%

Third Taxing District Profit & Loss Prev Year Comparison July 2016

	Jul 16	Jul 15	\$ Change	% Change
Ordinary Income/Expense				
Income				
443-00 · Cervalis Data Center Revenues	22,719.47	13,180.65	9,538.82	72.37%
440-00 · Residential Sales	387,944.27	387,071.51	872.76	0.23%
442-01 · Large Commercial Sales	89,879.15	94,383.69	-4,504.54	-4.77%
442-02 · Small Commercial Sales	273,011.81	272,971.23	40.58	0.02%
445-01 · Water Pollutn Contrl Plnt Sales	84,376.38	93,093.69	-8,717.31	-9.36%
445-02 · Flat Rate	8,680.29	8,655.54	24.75	0.29%
451-00 · Miscellaneous Service Revenue	1,300.00	424.10	875.90	206.53%
557-00 · Purchased Power Adjustment	147,542.40	143,511.86	4,030.54	2.81%
Total Income	1,015,453.77	1,013,292.27	2,161.50	0.21%
Cost of Goods Sold				
555-00 Electrical Power Purchased	535,454.26	545,399.61	-9,945.35	-1.82%
Total COGS	535,454.26	545,399.61	-9,945.35	-1.82%
Gross Profit	479,999.51	467,892.66	12,106.85	2.59%
Expense				
904-00 · Substation	14,064.89	19,946.68	-5,881.79	-29.49% Footnote 1
403-00 · Depreciation Expense	62,283.00	62,283.00	0.00	0.0%
408-00 · Taxes	650.32	851.98	-201.66	-23.67%
540-00 · Other Power Generation Expense	792.57	2,351.21	-1,558.64	-66.29%
580-00 · Distribution Expenses	2,092.79	2,593.17	-500.38	-19.3%
590-00 · Maintenance Expenses	33,139.48	37,241.20	-4,101.72	-11.01% Footnote 2
900-00 · Customer Accounts & Service	14,665.20	15,439.79	-774.59	-5.02%
920-00 · Administrative Expenses	101,840.33	110,802.27	-8,961.94	-8.09% Footnote 3
Total Expense	229,528.58	251,509.30	-21,980.72	-8.74%
Net Ordinary Income	250,470.93	216,383.36	34,087.57	15.75%
Other Income/Expense				
Other Income				
419-00 · Interest Income	519.20	46.93	472.27	1,006.33%
423-00 · Gain/(Loss) from Sale of FA	0.00	8,724.65	-8,724.65	-100.0% Footnote 4
424-00 · Energy Conservation Fund Income	7,801.25	6,611.07	1,190.18	18.0%
425-00 · Miscellaneous Income	0.00	0.00	0.00	0.0%
Total Other Income	8,320.45	15,382.65	-7,062.20	-45.91%
Other Expense				
942-00 · Interest Expense	0.00	136.50	-136.50	-100.0% Footnote 5
Total Other Expense	0.00	136.50	-136.50	-100.0%
Net Other Income	8,320.45	15,246.15	-6,925.70	-45.43%
Net Income before rate stabilization	258,791.38	231,629.51	27,161.87	11.73%
Rate Stabilization	121,141.97	71,123.45	50,018.52	70.33%
Net Income	379,933.35	302,752.96	77,180.39	25.49%

Third Taxing District
Profit & Loss Statement
Explanation of Major Variances
Jul-2016 vs. Jul- 2015

1. The decrease in the substation expense of \$5K is due primarily to a decrease in maintenance on the generators with HO Penn.
2. The decrease in maintenance expense of \$4K is due to a decrease in purchases from the prior year for overhead lines supplies with Graybar.
3. The \$9K decrease in Administrative expenses is mainly due to the timing of health insurance premiums and related billing with Anthem.
4. The \$8K in gain or loss from sale of fixed assets in the prior year is due to sale of scrap metals with Jerry's Electric and LaJoies.
5. There is no interest expense in July-2016 as the credit line has been paid off completely and has a zero balance.

THIRD TAXING DISTRICT
KEY PERFORMANCE INDICATORS (KPI'S)

		2016	July 2015	Industry Average (Bandwidth)
1)	<i>OPERATING RATIO</i>	TOTAL OPERATING EXPENSE / TOTAL OPERATING REVENUE	75.33%	78.65%
2)	<i>POWER SUPPLY EXPENSE RATIO</i>	TOTAL POWER SUPPLY EXPENSES / TOTAL EXPENSES	70%	68%
3)	<i>BAD DEBT RATIO</i>	TOTAL CUSTOMER ACCOUNTS OVER 90 DAY / TOTAL ACCOUNTS RECEIVABLE	4.44%	6.66%
4)	<i>ACTUAL RATE OF RETURN ON RATE BASE</i>	AUTHORIZED BY STATE STATUTE	N/A	N/A
5)	<i>ELECTRIC CUSTOMERS PER EMPLOYEE</i>	TOTAL ELECTRIC CUSTOMERS / TOTAL FULL TIME EMPLOYEES	358	384
				200 - 500

East Norwalk - PCA Calculation
Power Cost Adjustment Calculation
6 Month Rolling Average (starting January 2012)

	2015												2016 July
	July	August	September	October	November	December	January	February	March	April	May	June	
Total Energy	kWh												
Grand Total Purchased Power Costs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(Sum of current and previous 5 months)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
kWh's Purchased	kWh												
Total Purchased Power kWh Units	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(Sum of current and previous 5 months)	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh
Power Supply Costs @ Retail	\$												
Base Fuel Cost	\$												
Loss Factor	%												
Calculated PCA	\$												
Actual PCA Implemented	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total System Retail Sales (kWh's)	kWh												
Base PCA Revenue	\$												
Fuel Factor Revenue	\$												
Total Revenues through PCA	\$												
Difference of Collection vs Expense	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

THIRD TAXING DISTRICT
ELECTRICAL DEPARATMENT

PURCHASES AND QUOTATIONS
9/4/15

It is the policy of the Third Taxing District of the City of Norwalk and the Board of Commissions to support the practice of purchasing products and or services that provide the best value based on quality, service, and price.

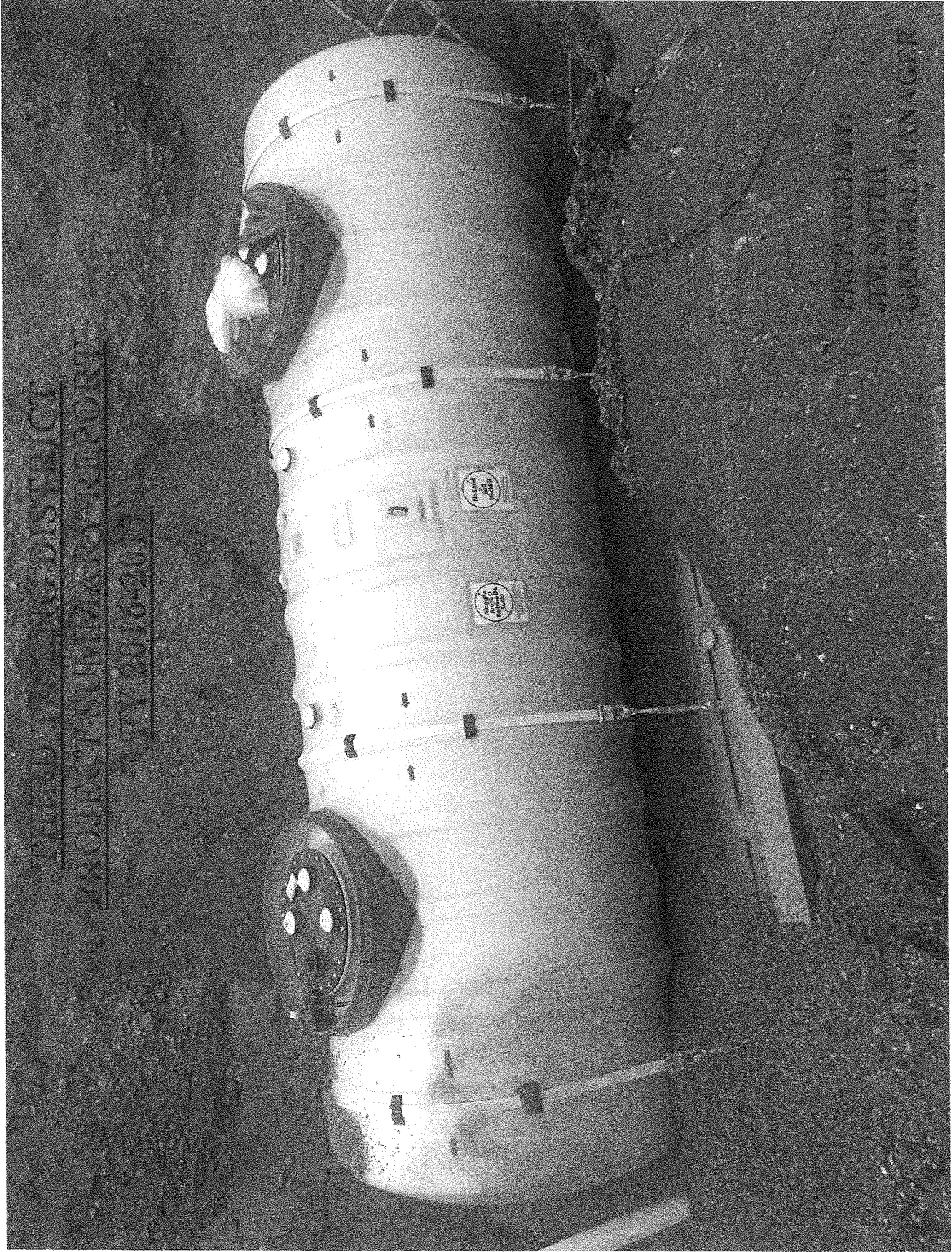
The following guidelines shall apply:

1. In purchasing or leasing, materials & supplies or services, if any single item to be purchased or leased or the total amount of any service contract does not exceed \$5000 in total payments, no quotations or written bids shall be required. However, any such purchase, lease, or service in this Section shall require prior approval of the General Manager or Commission.
2. In purchasing or leasing materials & supplies or services, if any single item to be purchased or leased, or the total amount of any service exceeds \$5000 but is less than \$10,000, three quotes will be required and must be noted and filed accordingly. Any such purchase, lease, or service in this Section shall require prior approval of the General Manager or Commission.
3. In purchasing or leasing materials & supplies or services, if any single item to be purchased or leased, or the total amount of any service exceeds \$10,000 but is less than \$15,000 (fifteen thousand dollars), three quotes will be required and must be noted and filed accordingly. Any such purchase, lease, or service in this Section shall require prior approval of the Commission.
4. In purchasing or leasing materials & supplies or services, if any single item to be purchased or leased, or the total amount of any service exceeds \$20,000 (twenty thousand dollars), bid specifications will be generated and advertised at a minimum in the *Norwalk Hour*, and in additional suitable publications at the discretion of the General Manager. Subsequent to noticing the bid request as above, a reasonable attempt should be made to solicit additional bids from reputable vendors by contacting them by mail or phone. A minimum of three written bids shall be required (and must be filed accordingly). Any such purchase, lease, or service in this Section shall require prior approval of the Commission.
5. Quotes and written bids must come from reputable companies who meet the proper insurance requirements. The Commission reserves the right to reject any and all bids for any reason it deems necessary, however, preference will be given to the lowest bidder based on quality, service, reputation and whether or not the business is local.
6. "Approval by the Commission" can take place by (a) a Commission vote taken during a special or regular meeting, or (b), the specific item to be purchased or leased must be clearly identified in a budget already approved by the Commission.

7. Repairs such as vehicle or equipment repairs, where it would be impractical to get competitive prices, may be authorized by the General Manager without competitive prices.
8. Repairs such as vehicle or equipment repairs, where it would be impractical to get competitive prices, may be authorized by the General Manager without competitive prices.
9. The General Manager may have flexibility and use discretion in applying this policy based on experience and professional judgment (i.e. Single source bidder, unable to get quotes due to the nature of the items, etc.
10. Generally, professional services are exempt from this policy. The General Manager shall keep the Commission informed on an as-needed basis as decisions are made to hire individuals / firms with a specific expertise.

GENERAL MANAGER'S REPORT
(Note Page)

THIRD TANKING DISTRICT
PROJECT SUMMARY REPORT
FY 2016-2017



PREPARED BY:
JIM SMITH
GENERAL MANAGER

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2	5	UPGRADE FLEET VEHICLES
2	6	I/T SYSTEM MODIFICATIONS
2	7	COST OF SERVICE/RATE STUDY
3	8	STRATEGIC PLANNING PROCESS
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5	12	SUBSTATION UPGRADES AND IMPROVEMENTS
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6-10	14	MISCELLANEOUS
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11	16	CUSTOMER SERVICE RENOVATION PROJECT
12	17	BUYOUT OF FRONTIER POLES IN TTD SERVICE TERRITORY



THIRD TAXING DISTRICT – PROJECT SUMMARY

UPDATED: AUGUST 31, 2016

#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
1)	A-BASE METER REPLACEMENT PROGRAM	<ul style="list-style-type: none"> • IN PROCESS WITH METER DEPT. 	ON-GOING UNTIL COMPLETED	<ul style="list-style-type: none"> • AUGUST 2016 – WE DID NOT REPLACE ANY A-BASED METERS DURING THE MONTH. WE ARE CONTINUING TO MAKE SLOW, CONTINUOUS PROGRESS IN THIS AREA.
2)	CUSTOMER SERVICE/ MANAGEMENT TRAINING PROGRAM	<ul style="list-style-type: none"> • TRAINING THROUGHOUT THE YEAR BASED ON TRAINING OPPORTUNITIES AND EMPLOYEE SCHEDULES. 	ALL OF 2016	
3)	SUCCESSION PLANNING PROCESS	<ul style="list-style-type: none"> • COMPLETE WITH PERIODIC REVIEW • NEW LINEMAN TO BE HIRED DURING SECOND HALF OF FISCAL YEAR. 	ON-GOING	



COMMENTS/MONTHLY UPDATE

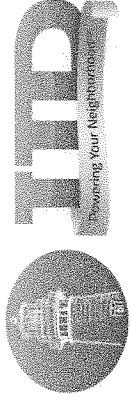
TIMELINE

STATUS

PROJECT

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4)	RADIO-READ METER UPGRADE	<ul style="list-style-type: none"> APPROXIMATELY 60% OF THE SYSTEM HAS BEEN COMPLETED. 	ON-GOING THROUGH 2015 INTO 2016	<ul style="list-style-type: none"> AUGUST 2016 – INSTALLED 125 RADIO READ METERS DURING THE MONTH IN VARIOUS LOCATIONS AROUND THE DISTRICT FOR A TOTAL OF 2,263, OR 60% OF THE DISTRIBUTION SYSTEM.
5)	UPGRADE FLEET VEHICLES	<ul style="list-style-type: none"> PURCHASING/LEASING VEHICLES IN ACCORDANCE WITH FIVE-YEAR FLEET VEHICLE REPLACEMENT SCHEDULE. 	ON-GOING WITH PERIODIC UPDATES	
6)	I/T SYSTEM MODIFICATIONS	<ul style="list-style-type: none"> ON-GOING TO CREATE GREATER EFFICIENCIES WHEREVER POSSIBLE. 	PERIODIC UPDATES AS NECESSARY.	<ul style="list-style-type: none"> AUGUST 2016 – INQUIRED INTO SEVERAL TYPES OF DOCUMENT SCANNING RETRIEVAL SYSTEMS IN CONJUNCTION WITH THE OFFICE RENOVATION PROJECT. WE PLAN ON SCANNING PERTINENT RECORDS INTO A “CLOUD BASED” DATABASE AND STORING THE MAJORITY OF PERMANENT RECORDS ON DISC.
7)	CONDUCT COST OF SERVICE/RATE STUDY WITH PERIODIC UPDATES	<ul style="list-style-type: none"> INITIAL STUDY CONDUCTED IN 2013 WITH RESULTS IMPLEMENTED IN OCTOBER 2014. UPDATE/ “TUNE-UP” COMPLETED IN JULY 2016. 	COMPLETION DATE – 3 RD QTR 2016.	<ul style="list-style-type: none"> AUGUST 2016 – FINALIZED THE FINANCIAL PROJECTION/COST OF SERVICE REVIEW WITH UFS. THEY WILL BE PRESENTING THE RESULTS OF THE REVIEW TO THE COMMISSION AT THE SEPTEMBER 12TH MEETING.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

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	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
8)	STRATEGIC PLANNING PROCESS	<ul style="list-style-type: none"> • TO BE PRESENTED TO COMMISSION AT THE FEBRUARY 1, 2016 MEETING. • PRESENTED AND APPROVED AT THE FEBRUARY 1, 2016 MEETING. • INITIAL SESSIONS WERE CONDUCTED WITH THE STAFF AND COMMISSION ON MAY 18TH AND 19TH. • FOLLOW-UP MEETINGS HAVE BEEN SCHEDULED WITH THE STAFF AND COMMISSION FOR AUGUST 16TH AND 17TH. • MEETINGS HAVE BEEN SCHEDULED WITH THE COMMISSION AND STAFF ON SEPTEMBER 26TH. 	<ul style="list-style-type: none"> • BEGIN IN 1ST QTR 2016. • WORK CONTINUES THROUGH THE 3RD QUARTER OF 2016. • ADDITIONAL WORK TO BE DETERMINED. 	<ul style="list-style-type: none"> • AUGUST 2016 – THE FOLLOWING ACTIVITIES WERE UNDERTAKEN DURING THE MONTH: <ul style="list-style-type: none"> ○ A STRATEGIC PLANNING SESSION WAS HELD WITH THE COMMISSION ON AUGUST 16TH. THIS SESSION WAS EXTREMELY PRODUCTIVE AND FOCUSED ON TWO MAIN AREAS: 1) DISPOSITION OF NON-PERFORMING ASSETS AND 2) GOVERNANCE STRUCTURE. STEVE HAS DOCUMENTED A SUMMARY OF THE ISSUES DISCUSSED AND WILL PRESENT A WRITTEN SUMMARY TO THE COMMISSION PRIOR TO THE NEXT STRATEGIC PLANNING MEETING WITH THE COMMISSION. ○ A SESSION WAS HELD ON AUGUST 17TH BETWEEN STEVE VANDERMEER AND STAFF TO REVIEW STRATEGIC ISSUES DISCUSSED WITH THE COMMISSION AND SOLICIT ADDITIONAL INPUT ON THESE ISSUES.



COMMENTS/MONTHLY UPDATE

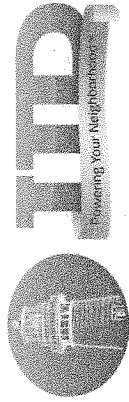
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PROJECT

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9)	MAPLEWOOD	<ul style="list-style-type: none"> CASE HAS BEEN SETTLED IN FAVOR OF TTD.. 	LITIGATION COMPLETE.	<ul style="list-style-type: none"> AUGUST 2016 – DISCUSSIONS CONTINUE WITH OUR ATTORNEYS ON FINAL RESOLUTION OF: <ul style="list-style-type: none"> SERVICE TERRITORY AGREEMENT BETWEEN TTD/EVERSOURCE. DEPOSIT OF \$14,400 STILL OWED. ENERGY CONSERVATION INCENTIVES OWED BASED ON WORK COMPLETED BY MAPLEWOOD.
10)	PUBLIC RELATIONS/MARKETING PROGRAM	<p>JUMAR CONTRACT RENEWED THROUGH APRIL OF 2017 BASED ON A DECISION AT THE APRIL 7, 2016 MEETING, WITH THE STIPULATION THAT THE CONTRACT FOR PROVIDING THESE SERVICES BE “BID OUT” NEXT YEAR.</p>	ONGOING BASED ON CONTRACT WITH JUMAR.	



COMMENTS/MONTHLY UPDATE

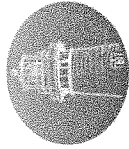
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PROJECT

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11)	UPGRADE/ENHANCE FUEL TANKS @ 2 SECOND STREET	<ul style="list-style-type: none"> NEW TANKS INSTALLED ARE IN COMPLIANCE WITH ALL STATE AND FEDERAL REGULATIONS. 	COMPLETED SEPTEMBER 2016.	<ul style="list-style-type: none"> AUGUST 2016 – NEW TANK/ DISPENSER SYSTEM INSTALLED DURING THE MONTH. INSPECTIONS COMPLIANCE PAPERWORK BEING FINALIZED.
12)	SUBSTATION UPGRADES AND IMPROVEMENTS	<ul style="list-style-type: none"> PROJECTS ON-GOING IN ALL SUBSTATIONS IN ORDER TO UPGRADE/ MAINTAIN COMPLIANCE WITH CONVEX/NERC/ FERC REQUIREMENTS. 	ON-GOING THROUGHOUT 2015-16 FISCAL YEAR.	
13)	18 ROWAN STREET RENOVATION	<ul style="list-style-type: none"> PROPERTY ACQUIRED, HOUSE DEMOLISHED AND LOT REPAVED. FINAL STEP IS TO SITE A MATERIALS STORAGE FACILITY ON THE SITE. 	RESCHEDULED TO SUMMER 2016.	<ul style="list-style-type: none"> AUGUST 2016 – WE ARE CONTINUING TO WAIT ON A DATE FROM PLANNING AND ZONING BASED ON SITE PLANS THAT HAVE BEEN SUBMITTED.



COMMENTS/MONTHLY UPDATE

TIMELINE

STATUS

PROJECT

#

14)	<u>MISCELLANEOUS</u> • ANNUAL REVENUE/ EXPENSE BUDGET/FIVE- YEAR CAPITAL BUDGET	COMPLETED.		
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#	PROJECT	STATUS	TIMELINE	COMMENTS/MONTHLY UPDATE
14)	MISC. (Cont.)			
	<ul style="list-style-type: none"> NORDEN GENERATORS 	PERIODIC TESTING FOR "BLACK START" BACK-UP TO THE NORDEN FACILITY AND RUN INTO THE ISO LFR MARKET.	ON-GOING	<ul style="list-style-type: none"> AUGUST 2016 – A "BLACK START" TEST WAS RUN DURING THE MONTH ON ALL THREE UNITS. THE TEST WAS SUCCESSFUL AND PROVIDED SEAMLESS BACK-UP TO THE NORDEN FACILITY. WE ARE NOW RUNNING ALL THREE UNITS ON LOW SULFUR DIESEL (LSD) BASED ON RECENT UPGRADES. THIS HAS BEEN FULLY DOCUMENTED BY CMEEC AND RESULTS IN GREATER VALUE WHEN WE RUN THEM INTO THE MARKET.
	<ul style="list-style-type: none"> SOLAR PROJECTS 	POTENTIAL PROJECTS DISCUSSED WITH RESIDENTIAL AND COMMERCIAL CUSTOMERS.	ON-GOING	
	<ul style="list-style-type: none"> ANNUAL FINANCIAL AUDIT (FYE 6/30/16) 		EXPECTED COMPLETION DATE- OCTOBER 15 TH OF EACH YEAR	<ul style="list-style-type: none"> AUGUST 2016 – STAFF IS CONTINUING TO PROVIDE INFORMATION RELATED TO THE AUDIT FOR 6/30/16. I HAVE BEN INFORMED BY STAN SIEGEL THAT I WILL HAVE THE LIBRARY AUDIT PRIOR TO SEPTEMBER 30TH.
	<ul style="list-style-type: none"> LED STREET LIGHT PROJECT 	COMPLETED.	FINALIZED DURING 2016.	<ul style="list-style-type: none"> AUGUST 2016 – ALL 671 STREET LIGHTS HAVE BEEN CONVERTED TO LED'S. THE PROJECT IS NOW COMPLETE. IT WAS COMPLETED OVER 2-1/2 YEARS AND WAS PAID FOR ENTIRELY THROUGH CONSERVATION AND LOAD MANAGEMENT FUNDS.



COMMENTS/MONTHLY UPDATE

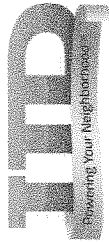
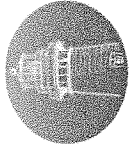
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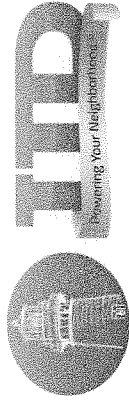
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	<p><u>MISC. (Cont.)</u></p> <ul style="list-style-type: none"> • SCADA PROJECT 	<p>PROJECT BEGINS JULY 2015</p>	<ul style="list-style-type: none"> • 1ST/2ND PHASE (SECOND STREET-FITCH STREET SUB-STATION) – JULY 2015 – JULY 2016 • 3RD PHASE (EAST AVENUE) JULY 2016 – NOVEMBER 2016 • 4TH PHASE – NOVEMBER 2016 - FEBRUARY 2017 • 5TH PHASE – FEBRUARY 2017 – MAY 2017 	<ul style="list-style-type: none"> • AUGUST 2016 – PRELIMINARY ACTIVITIES HAVE BEGUN ON PHASE THREE OF THE PROJECT.
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#	<u>PROJECT</u>	<u>STATUS</u>	<u>TIMELINE</u>	<u>COMMENTS/MONTHLY UPDATE</u>
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	<u>MISC. (Cont.)</u> <ul style="list-style-type: none">• COMMERCIAL CUSTOMER VISITS	ON-GOING AS SCHEDULES PERMIT	THROUGHOUT 2016	
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COMMENTS/MONTHLY UPDATE

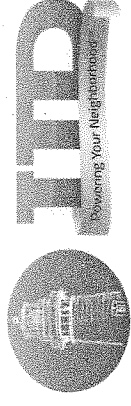
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	<p><u>MISC. (Cont.)</u></p> <ul style="list-style-type: none">• ECONOMIC DEVELOPMENT INITIATIVES	<p>ON-GOING MEETINGS WITH ELIZABETH STOCKER, THE CITY OF NORWALK'S ECONOMIC DEVELOPMENT DIRECTOR</p>	<p>THROUGHOUT 2016</p>	<ul style="list-style-type: none">• AUGUST 2016 – STAFF HAS BEEN WORKING ON SEVERAL OPTIONS FOR A DESIGN OF THE FEEDER SYSTEM TO THE MALL. AT LEAST TWO DIFFERENT OPTIONS ARE BEING DEVELOPED BASED ON FEEDBACK FROM GGP AND WILL BE COORDINATED WITH GGP AND SNEW. NEXT STEPS ARE TO COST OUT EACH OF THE OPTIONS AND PRESENT THE RECOMMENDED ALTERNATIVE TO GGP FOR CONSIDERATION.
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15)	STATE (CT DOT) BRIDGE PROJECTS	INITIAL LETTER FROM CT DOT TO TTD ISSUED IN MARCH 2016. REGULAR UPDATES HAVE BEEN RECEIVED FROM CT DOT/PARSONS BRINKERHOFF AS INFORMATION IS REQUIRED.	REMAINDER OF 2016 INTO 2017 AND BEYOND.	<ul style="list-style-type: none"> AUGUST 2016 – WE CONTINUE TO WAIT FOR DETAILED SITE DRAWINGS FROM THE STATE BEFORE WE CAN DEVELOP DETAILED COST ESTIMATES FOR FACILITY RELOCATION. WE ARE IN CLOSE CONTACT WITH STATE OFFICIALS AND ARE CONTINUING TO MONITOR PROGRESS BEING MADE.
16)	CUSTOMER SERVICE RENOVATION PROJECT	PROJECT BEGAN IN THE 3 RD WEEK OF JULY 2016. WORK IS CURRENTLY UNDERWAY. LAST PHASE OF MULTI-YEAR RENOVATION OF 2 SECOND STREET OFFICE.	JULY 2016 THROUGH EARLY SEPTEMBER 2016.	<ul style="list-style-type: none"> AUGUST 2016 – CONSTRUCTION ACTIVITIES CONTINUE. DEMOLITION COMPLETE, WOMEN'S BATHROOM COMPLETE, CUSTOMER SERVICE AREAS ARE BEING WORKED ON.



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	BUYOUT OF FRONTIER POLES IN TTD SERVICE TERRITORY	INITIAL DISCUSSION STAGES	AUGUST, SEPTEMBER 2016	<ul style="list-style-type: none">AUGUST 2016 – HELD INITIAL DISCUSSIONS WITH MIKE CICHETTI, MANAGER OF GOVERNMENT AFFAIRS FOR FRONTIER, AND FRONTIER LEGAL STAFF TO ADVOCATE THE CONCEPT OF BUYING OUT ALL POLES LOCATED IN EAST NORWALK (APPROXIMATELY 650 POLES). BUYOUT OF THESE POLES ALLOWS TTD TO GAIN CONTROL OVER ALL OF THE POLES IN OUR SERVICE TERRITORY, PROVIDING GREATER OPERATIONAL FLEXIBILITY AND INCREASED REVENUE THROUGH ADDITIONAL POLE ATTACHMENT FEES. FRONTIER WAS NOT SURPRISED BY OUR REQUEST AND OFFERED NO RESPONSE AT THIS TIME. I WOULD EXPECT TO HEAR FROM THEM DURING THE FIRST WEEK OF SEPTEMBER.
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